



City of Pataskala, Ohio

POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020



Dear Citizens of the City of Pataskala:



The City of Pataskala's Finance Department is pleased to present the City's fifth Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2020. This report provides transparency of where the City revenues come from and where those dollars are spent for residents that may not have finance or accounting backgrounds. Additionally, we have highlighted some of the economic development activity and capital improvements that we saw during 2020 and what to look forward to this year.

The City of Pataskala's comprehensive annual financial reports for the years ended 2018 and 2019, from which the information on pages 4-10 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a Comprehensive Annual Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.

The Annual Report was prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP) and audited by Julian & Grube, Inc., a CPA firm in Westerville, Ohio. The City once again received an unmodified opinion on the audit, which means that no significant deficiencies were identified that required modification. The City's Annual Report can be obtained on the City's website at <http://www.cityofpataskalaohio.gov/city-departments/finance/financial-reports/comprehensive-annual-financial-reports/>. The City of Pataskala's PAFR is unaudited and presented on a GAAP basis, unless otherwise noted.

The purpose of the PAFR is to provide our citizens with summarized financial data and as a means of increasing awareness and knowledge of the operations of the City. We feel that citizens deserve transparency when it comes to their tax dollars and this report is designed to help assist you in gaining a better understanding of the City's resources and how we put your tax dollars to use.

Sincerely,

James M. Nicholson
Finance Director

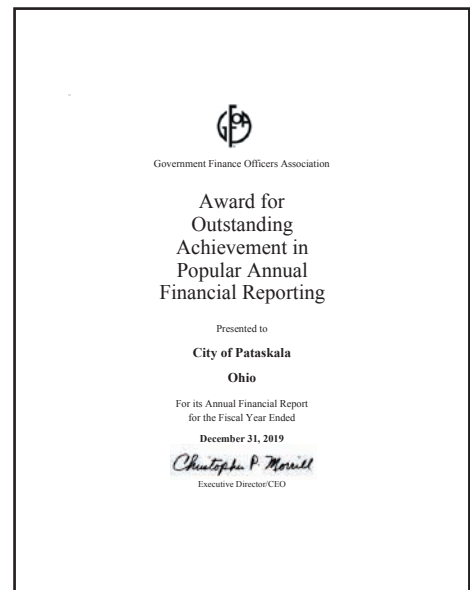
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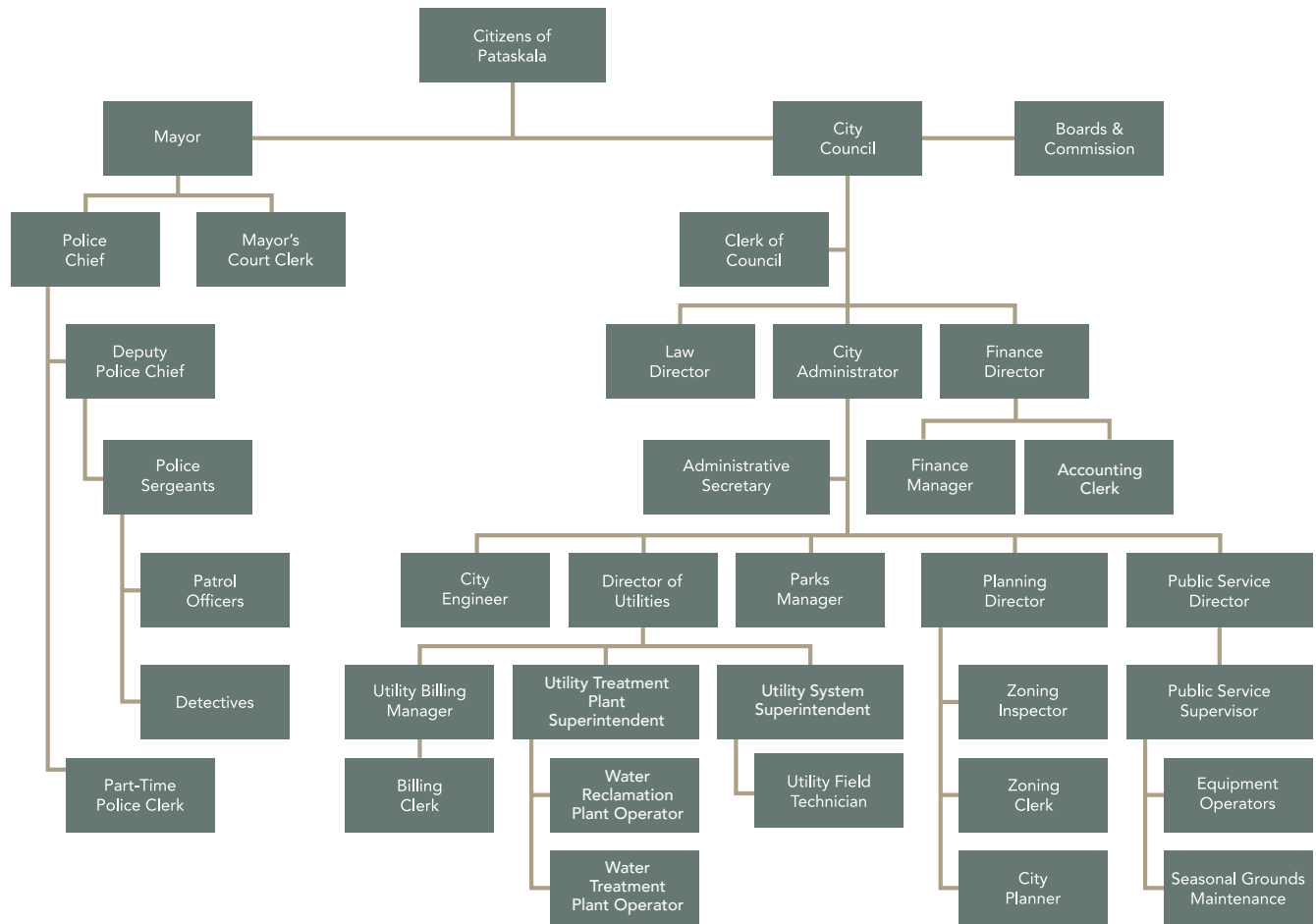
Awards & Accomplishments

The City received the GFOA Award for Outstanding Achievement in Popular Annual Financial Report for 2019.

The City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the past 11 years (2009-2019) and has applied for the same award for 2020.



City Organization



City Council & Mayor

Although the City Administrator, Tim Hickin, manages City operations on a day to day basis, an elected 7-member Council and Mayor provide oversight and direction to the Administration. Council members are elected to staggered 4-year terms. The current members and their term expirations are as follows:

Mayor—Michael W. Compton (2021)

Council President—Todd W. Barstow (2023)

At-Large—Dustin Epperson (2021)

At-Large—Jude Hampshire (2021)

At-Large—Andrew W. Walther (2021)

Ward 1—Thomas H. Lee (2023)

Ward 2—Melissa A. Carter (2023)

Ward 4—Brandon Galik (2023)



Property Taxes

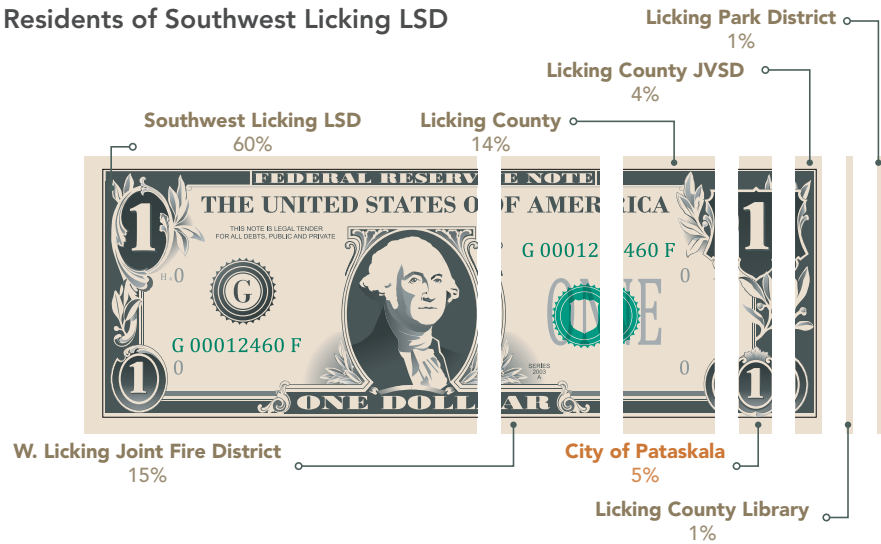
Only a small portion of your property taxes support City operations. The City's General Fund receives approximately \$0.04–\$0.05 of every dollar of property tax paid. School districts, Licking County, and various other entities receive a portion of the taxes paid by the City of Pataskala residents.

Understanding Property Taxes

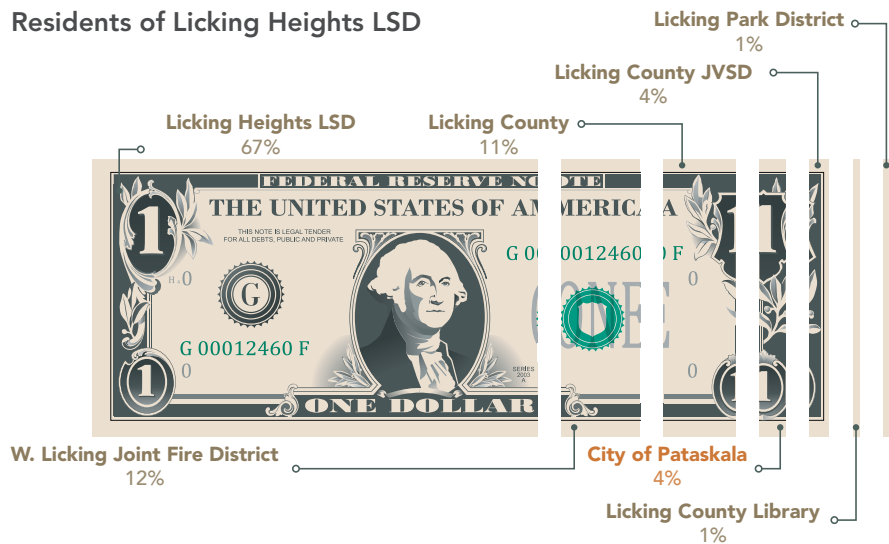
Property tax is based on the amount charged per \$1,000 worth of taxable property value, also known as 'millage'. Amounts collected for levies other than general operating must be used for those specific purposes. The County Auditor's office handles the administration of property taxes in the state of Ohio by collecting and distributing the taxes paid to the appropriate jurisdiction.

The City has no voted levies outstanding and only receives 2.9 mill of 'inside' or unvoted millage.

Residents of Southwest Licking LSD



Residents of Licking Heights LSD



Income Taxes

Income taxes represent the largest source of revenue for the City, and are collected by the Regional Income Tax Agency (RITA). Income tax collections are comprised of three sources: taxes withheld from employees working in the City, taxes from individual residents, and taxes on net profits of businesses operating in the City. Since mid-2010, the City has levied a 1.00% income tax and has allocated the amount to four City funds. The City adjusts the income tax allocations each year based on the needs of the City.

Where your income taxes go by fund:

	2020	2019	2018	2017
Street Fund	29.95%	33.00%	32.10%	32.10%
Police Fund	53.88%	51.50%	52.00%	52.00%
Capital Improvements Fund	1.75%	9.50%	2.00%	2.00%
Debt Service Fund	14.42%	6.00%	13.90%	13.90%

The chart below shows how Pataskala compares to other neighboring communities in their income tax rate.

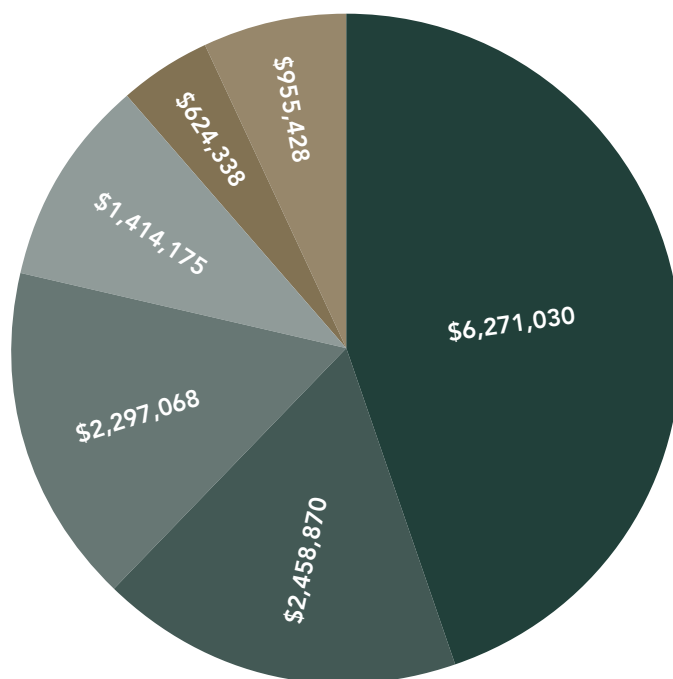
City of Columbus	2.50%
City of Newark	1.75%
City of Reynoldsburg	2.50%
City of Gahanna	2.50%
Village of Granville	1.50%
Village of Johnstown	1.00%
City of Pataskala	1.00%



Where the Money Comes From

Revenues—Governmental Activities

The funding the City receives in order to provide services to citizens and the community as a whole comes from a variety of sources at the local, state and federal levels. The chart below presents a summary of governmental activities revenue by primary type for 2020. The significance of income taxes is clearly evident as they make up 44.73% of governmental activities revenue. This indicates the importance for the need of a strong local economic base to keep this revenue stream strong. The increase in income tax was the result of a better economy and more business within the City. The decrease in capital grants and contributions was the result of less donated infrastructure to the City from completed construction projects. The increase in operating grants and contributions is the result of the City receiving CARES Act money due to the pandemic. The increase in other revenues was the result of refunds and dividends provided by the Ohio Bureau of Workers Compensation (BWC).



- Income Taxes
- Capital Grants and Contributions
- Operating Grants and Contributions
- Property and Other Taxes
- Charges for Services and Sales
- Other Revenues

	2020	2019	2018
Income Taxes	\$ 6,271,030	\$ 5,970,471	\$ 5,579,836
Capital grants and contributions	\$ 2,458,870	\$ 5,544,396	\$ 243,847
Operating grants and contributions	\$ 2,297,068	\$ 1,911,985	\$ 1,353,608
Property and other taxes	\$ 1,414,175	\$ 1,086,866	\$ 901,169
Charges for services and sales	\$ 624,338	\$ 648,310	\$ 667,195
Other Revenues	\$ 955,428	\$ 573,362	\$ 515,740
Total Governmental Activities Revenues	\$ 14,020,909	\$ 15,735,390	\$ 9,261,395

Definitions

Income Taxes

The City levies a 1.00% income tax on substantially all income earned within the City by residents and City businesses.

Capital Grants and Contributions

Revenues received from various sources that are restricted for capital projects. These include amounts received from the State of Ohio and the Ohio Department of Transportation (ODOT) for road projects.

Operating Grants and Contributions

Revenues received from intergovernmental sources that are restricted for operations. These include amounts received related to gas tax and motor vehicle license fees.

Property Taxes

Revenues received from the City's portion of the taxes due on real property and public utility. The City assesses a property tax rate of \$2.90 per \$1,000 of assessed valuation.

Charges for Services and Sales

Revenues received related to charges billed to users. These can include fines and forfeitures, cable franchise fees, building permits and rent.

Other Revenues

These include amounts consisting of payments in lieu of taxes, unrestricted intergovernmental grants like local government support, and investment income.



Definitions

Security of Persons and Property
This expense accounts of the operations of the City's police department .

Transportation
This expense accounts for the operations of the City's Public Service department.

General Government
This expense accounts for the operations of the City Administrator, Finance, City Council, Mayor's Office, Mayor's Court and Law Director.

Community Environment
This expense accounts for the operations of the City's planning and zoning department.

Interest and Fiscal Charges
This expense accounts for interest and other fees charged on the City's debt.

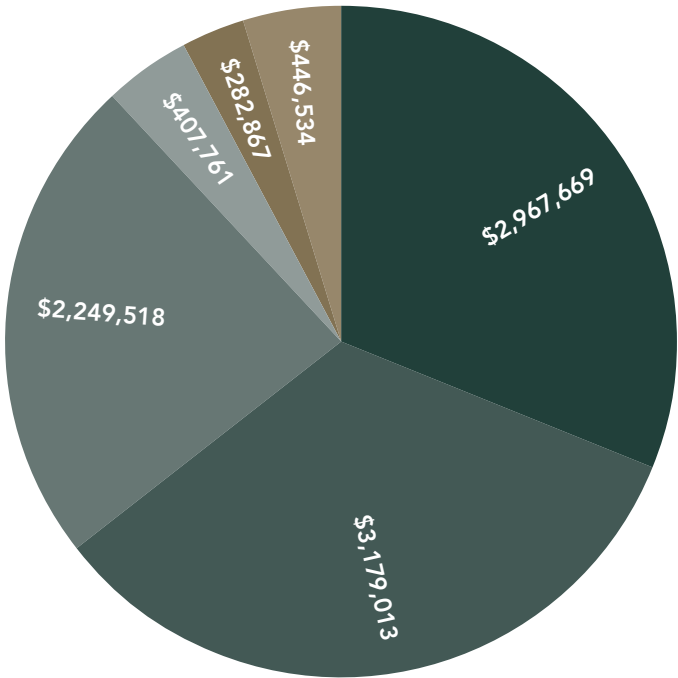
Leisure Time Activities
This expense accounts for the operations of the City's parks and recreation department.



Where the Money Goes To

Expenses—Governmental Activities

The City's governmental activities account for much of the basic services provided by the City's various departments and offices. The City's expenses are reported at the function level which describes the primary purpose of the expense. Within each function the expense of one or more City departments or offices are reported. The increase in security of persons and property is related to an increase in Other Postemployment Benefits (OPEB) expenses related to the Ohio Police & Fire (OP&F) pension system.



- Security of Persons and Property
- Transportation
- General Government
- Community Environment
- Interest and Fiscal Charges
- Leisure Time Activities

	2020	2019	2018
Security of persons and property	\$ 2,967,669	\$ 597,100	\$ 2,774,477
Transportation	\$ 3,179,013	\$ 2,964,015	\$ 3,160,235
General government	\$ 2,249,518	\$ 2,387,838	\$ 1,419,475
Community environment	\$ 407,761	\$ 458,597	\$ 358,209
Interest and fiscal charges	\$ 282,867	\$ 300,197	\$ 307,104
Leisure time activities	\$ 446,534	\$ 357,519	\$ 304,063
Total Governmental Activities Expenses	\$ 9,533,362	\$ 7,065,266	\$ 8,323,563

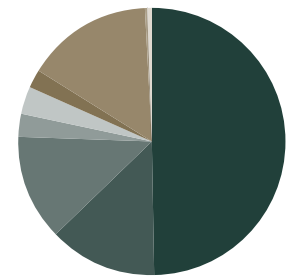
General Fund Analysis

The General Fund is the main operating fund of the City and accounts for all financial resources not accounted for and reported in other City funds. The General Fund is primarily supported by property taxes assessed on property owners; licenses and permits; intergovernmental revenues like homestead and rollback revenue received from the state and local government support; and fines and forfeitures. The General Fund spends those resources on salaries and wages, contractual services and materials and supplies for the City Administrator, Planning and Zoning, City Council, the Mayor's Office, Mayor's Court, Finance and Parks.

Revenues and Other Financing Sources

	2020	2019	2018
Property taxes	\$ 1,116,937	\$ 1,127,029	\$ 1,008,111
Licenses and permits	\$ 293,662	\$ 274,890	\$ 264,336
Intergovernmental	\$ 286,328	\$ 175,056	\$ 220,884
Fines and forfeitures	\$ 59,868	\$ 84,836	\$ 96,145
Charges for services	\$ 75,528	\$ 83,319	\$ 81,295
Investment income	\$ 48,467	\$ 63,097	\$ 19,315
Other	\$ 345,771	\$ 17,538	\$ 80,556
Rental income	\$ 4,905	\$ 6,776	\$ 2,760
Special assessments	\$ 460	\$ 239	\$ 1,305
Contributions and donations	\$ 10,155	\$ 16,856	\$ 13,191
Inception of capital lease	\$ —	\$ —	\$ 33,614
Total General Fund Revenues	\$ 2,242,081	\$ 1,849,636	\$ 1,821,512

2020 Revenue Amounts

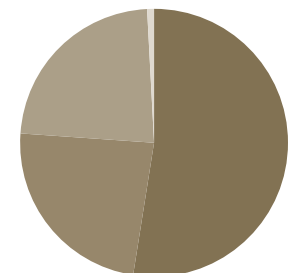


- Property Taxes
- Licenses and Permits
- Intergovernmental
- Fines and Forfeitures
- Charges for Services
- Investment Income
- Other Revenues
- Rental Income
- Special Assessments
- Contributions and Donations

Expenditures and Other Financing Uses

	2020	2019	2018
General government	\$ 820,139	\$ 889,154	\$ 888,186
Community environment	\$ 368,621	\$ 384,949	\$ 325,272
Leisure time activity	\$ 359,112	\$ 304,184	\$ 252,047
Capital outlay	\$ —	\$ —	\$ 33,614
Debt service	\$ 9,341	\$ 9,342	\$ 13,074
Transfers out	\$ —	\$ —	\$ 250,000
Total General Fund Expenditures	\$ 1,557,213	\$ 1,587,629	\$ 1,762,193

2020 Expenditure Amounts



- General Government
- Community Environment
- Leisure Time Activities
- Debt Service

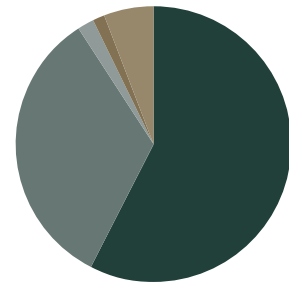
Street Fund Analysis

The Street Fund is funded by a portion of the City's income tax collections as well as motor vehicle license and gas tax fees. The Street fund uses those sources to fund employee wages and benefits, materials and equipment used by the Public Service department as well as to maintain local roads and related infrastructure of the City.

Revenues and Other Financing Sources

	2020	2019	2018
Income taxes	\$ 1,834,983	\$ 1,927,201	\$ 1,851,162
Charges for services	\$ 765	\$ 705	\$ 10,804
Intergovernmental	\$ 1,057,611	\$ 892,341	\$ 824,676
Investment income	\$ 65,493	\$ 152,607	\$ 42,815
Contributions and donations	\$ —	\$ —	\$ 2,200
Other	\$ 43,715	\$ 74,145	\$ 47,138
Inception of capital lease	\$ 180,000	\$ 106,000	\$ 155,000
Total Street Fund Revenues	\$ 3,182,567	\$ 3,152,999	\$ 2,933,795

2020 Revenue Amounts

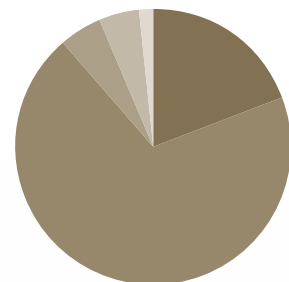


- Income Taxes
- Charges for Services
- Intergovernmental
- Investment Income
- Other Revenues
- Inception of Capital Lease

Expenditures and Other Financing Uses

	2020	2019	2018
General government	\$ 591,463	\$ 631,691	\$ 505,109
Transportation	\$ 2,115,703	\$ 2,694,114	\$ 1,279,378
Capital outlay	\$ 150,185	\$ 169,341	\$ 155,000
Debt service	\$ 149,769	\$ 216,464	\$ 249,621
Transfers out	\$ 45,000	\$ 106,000	\$ 354,000
Total Street Fund Expenditures	\$ 3,052,120	\$ 3,817,610	\$ 2,543,108

2020 Expenditure Amounts



- General Government
- Transportation
- Capital Outlay
- Debt Service
- Transfers Out

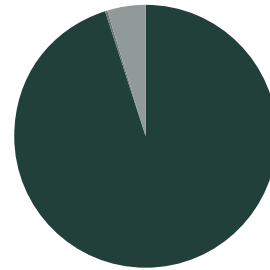
Police Fund Analysis

The Police Fund is funded primarily by a portion of the City's income tax collections. The Police fund uses those sources to fund the police department and pay the wages and benefits of police officers and equipment used to protect the City and its citizens.

Revenues and Other Financing Sources

	2020	2019	2018
Income Taxes	\$ 3,270,735	\$ 3,069,544	\$ 2,982,395
Fines and forfeitures	\$ 710	\$ 1,439	\$ 1,954
Intergovernmental	\$ 2,012	\$ 16,986	\$ 40,549
Other	\$ 160,072	\$ 179,198	\$ 155,229
Inception of capital lease	\$ —	\$ —	\$ 10,535
Total Police Fund Revenues	\$ 3,433,529	\$ 3,267,167	\$ 3,190,662

2020 Revenue Amounts

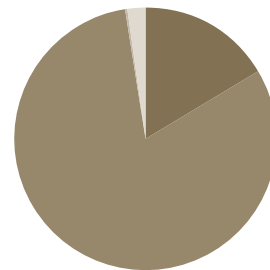


- Income Taxes
- Fines and Forfeitures
- Intergovernmental
- Other Revenues

Expenditures and Other Financing Uses

	2020	2019	2018
General government	\$ 399,844	\$ 403,055	\$ 357,411
Security of persons and property	\$ 1,974,144	\$ 2,361,208	\$ 2,299,122
Capital outlay	\$ —	\$ —	\$ 10,535
Debt service	\$ 2,924	\$ 2,923	\$ 28,249
Transfers out	\$ 52,500	\$ 22,500	\$ 22,500
Total Police Fund Expenditures	\$ 2,429,412	\$ 2,789,686	\$ 2,717,817

2020 Expenditure Amounts



- General Government
- Security of Persons and Property
- Debt Service
- Transfers Out

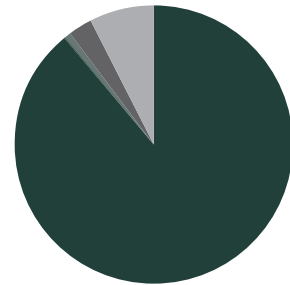
City Utility Funds Analysis

The Utility Funds account for the City's Water and Sewer operations. The funds are almost exclusively supported by water and sewer rates charged to over 3,200 customers. Resources are used to support salaries and wages and other costs to maintain the Water & Sewer plants and related infrastructure.

Operating and Non-Operating Revenues

	2020	2019	2018
services	\$ 4,923,332	\$ 4,615,138	\$ 4,355,443
Special assessments	\$ 8,539	\$ 9,491	\$ 9,909
Other	\$ 34,316	\$ 32,935	\$ 48,002
Interest income	\$ 162,522	\$ 259,932	\$ —
Capital contributions	\$ 403,730	\$ 1,730,712	\$ 708,879
Total Utility Funds Revenues	\$ 5,532,439	\$ 6,648,208	\$ 5,122,233

2020 Revenue Amounts

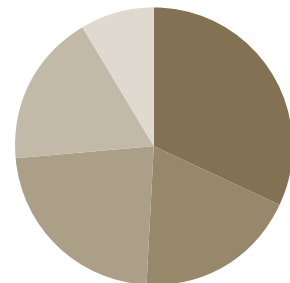


- Charges for Services
- Special Assessments
- Other Revenues
- Interest Income
- Capital Contributions

Operating and Non-Operating Expenses

	2020	2019	2018
Salaries and related services	\$ 1,186,419	\$ 1,204,223	\$ 1,091,431
Contractual services	\$ 704,388	\$ 615,397	\$ 537,520
General operating	\$ 841,338	\$ 513,332	\$ 792,942
Depreciation	\$ 660,594	\$ 651,159	\$ 626,772
Interest and fiscal charges	\$ 312,515	\$ 330,328	\$ 348,121
Loss on sale of capital assets	\$ —	\$ —	\$ 204,046
Total Utility Fund Expenses	\$ 3,705,254	\$ 3,314,439	\$ 3,600,832

2020 Expenditure Amounts



- Salaries and Related Services
- Contractual Services
- General Operating
- Depreciation
- Interest and Fiscal Charges



Water and Sewer Rates per 1,000 Gallons

	In-Town		Out-of-Town		CIP
	Water	Sewer	Water	Sewer	
2020	\$4.70	\$8.26	\$7.06	\$12.40	\$3.00
2019	\$4.48	\$3.17	\$6.72	\$4.76	\$3.00
2018	\$4.48	\$3.17	\$6.72	\$4.76	\$3.00

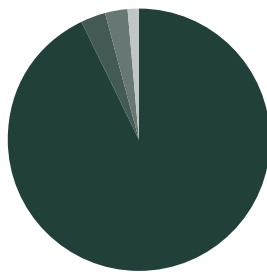
Debt Obligations

As of December 31, 2020, the City had \$20,235,775 in outstanding long term debt. The City maintains a credit rating of Aa3 from Moody's. A high credit rating benefits the City and citizens by lowering the interest rates charged on its debt.

Governmental Activities

	2020	2019	2018
General obligation bonds	\$ 9,060,000	\$ 9,605,000	\$ 10,145,000
Miscellaneous loans payable	\$ 297,107	\$ 453,894	\$ 609,674
Capital leases	\$ 277,835	\$ 250,359	\$ 361,444
OPWC loans	\$ 187,196	\$ 202,164	\$ 211,000
Total Governmental Activities	\$ 9,822,138	\$ 10,511,417	\$ 11,327,118

2020 Amounts

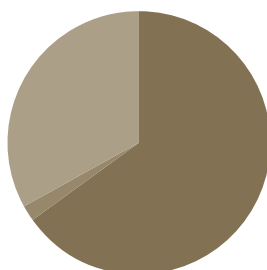


- General Obligation Bonds
- Miscellaneous Loans Payable
- Capital Leases
- OPWC Loans

Business-Type Activities (Water & Sewer)

	2020	2019	2018
General obligation bonds	\$ 6,790,000	\$ 7,130,000	\$ 7,530,000
Miscellaneous loans payable	\$ 200,000	\$ 300,000	\$ 400,000
OWDA loans payable	\$ 3,423,637	\$ 3,148,974	\$ 3,169,291
Total Business-Type Activities	\$ 10,413,637	\$ 10,578,974	\$ 11,099,291

2020 Amounts



- General Obligation Bonds
- Miscellaneous Loans Payable
- OWDA Loans Payable

Capital Improvements

Over the past several years, the City has undertaken many capital improvement projects to enhance various aspects of the City including:

- WRF Upgrade Project - Upgrade to the Water Reclamation Facility including VFD's at the two influent pump stations, installation of a jet aeration system for improved DO control, etc.
- Jefferson Street Waterline Replacement Design — A design for replacement and upsizing of the existing waterline along Jefferson and Depot streets.
- Water Tower Maintenance Program — Maintenance program for three of our water towers.
- Well Cleaning Program — A program that cleans our drinking water supply wells every four years. In 2020, we cleaned the two wells that supply water to Water Treatment Plant 2.
- Liberty Park Improvements — construction of an asphalt walking path, the addition of a nature playground in a wooded area and parking lot expansion.
- Mill Street — double chip seal surface treatment from Broad Street for 1.3 miles to Columbia Road and other improvements.
- Creek Road, Blacks Road, Melody Lane — Mill and asphalt overlay of these streets.
- Pat Haven Drive — Replaced 2000 feet of curb with mill and asphalt overlay for 0.4 miles from SR 16 to Melody Lane.
- Traffic signal improvements on various streets and installing new pavement marking throughout the City.



City of Pataskala
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Pataskala, Ohio 43062
cityofpataskalaohio.gov

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Community Profile

Pataskala was settled in the 1800's and incorporated as a village in 1891. Through multiple annexations throughout the years and a merger with Lima Township effective January 1, 1996, the City of Pataskala was formed.

The City has a population of 16,117 residents based on the 2020 annual population estimate by the Mid- Ohio Regional Planning Commission (MORPC), which makes the City the 2nd largest City in the county, and the 13th largest in the central Ohio region. The City's median household income is \$77,514, has an unemployment rate of 4.2% and has a median housing value of \$172,700.

City residents have easy access to downtown Columbus and the entire central Ohio area via Interstate 270 and Interstate 70, U.S. Route 40 and State Routes 16 and 310. Commercial passenger air service is available at Port Columbus International Airport and Rickenbacker International Airport in the City of Columbus. The Licking County Heath Airport is located approximately 15 miles to the east of the City in Heath, Ohio and provides private commuter service.